

# Trusts

---

As a financial institution, you will receive requests from customers to purchase, redeem, and reissue, paper savings bonds involving trust registrations. This chapter provides you with information needed to handle many routine requests you may encounter.

A trust is a right of property, real or personal, held by one party for the benefit of another. It is a written, legal document that creates an entity to which an individual can transfer ownership of his/her assets. The person who creates the trust is called the **grantor**. The **trustee** is the person who will manage the assets of the trust. A **successor trustee** is the person who will manage the assets of the trust if the initial trustee becomes unable to manage the trust due to death, illness, or resignation. A person who receives the benefit of the trust's assets is called the **beneficiary**.

The type or nature of the trust is the manner in which the trust is made. If the grantor(s) of the trust is also the trustee(s) of the trust, the nature of the trust would be "under declaration of trust." This would be abbreviated "U/D/T." If the trustee(s) and the grantor(s) are different people, then the nature of the trust is "under agreement" and the abbreviation "U/A" is used.

---

## Purchasing Savings Bonds in a Trust Registration

When a customer wants to purchase savings bonds in a trust registration, he/she will need to complete a special fiduciary purchase application. Form PDF 5263-1 *Order for Series EE U.S. Savings Bonds To Be Registered In Name of Fiduciary* should be used to purchase Series EE bonds in a trust registration. Form PD F 5374-1 *Series I Order for U.S. Savings Bonds To Be Registered In Name of Fiduciary* should be used to purchase Series I bonds in a trust registration.

There are four important elements required in a trust registration:

- The name(s) of the trustee(s)
- The name(s) of the grantor(s)
- The nature of the trust
- The date the trust was established (month, day, and year)

If the Internal Revenue Service has assigned a tax identification number to the trust, use that number on the purchase application. If no such number has been or is being assigned to the trust, use the grantor's social security number.

As with single owner registrations, the annual purchase limit per trust registration is \$30,000 face value for paper Series EE bonds, and \$30,000 face value for paper Series I bonds. This amount is in addition to any purchases registered in an individual investor's name.

<b>If:</b>	<b>Then:</b>
The grantor of the trust is also the trustee of the trust.	<p>The registration would read: "John Doe trustee under declaration of trust dated 1/31/03."</p> <p>This would be abbreviated as: "John Doe Tr U/D/T dtd 1/31/03."</p>
The grantor of the trust is not the trustee of the trust.	<p>The registration would read: "Mary Smith trustee under agreement with John Doe dated 1/31/03."</p> <p>This would be abbreviated as: "Mary Smith Tr U/A John Doe dtd 1/31/03."</p>
The trust is a family trust.	<p>The registration would read: "Mary Smith trustee of the Smith Family Trust dated 1/31/03."</p> <p>This would be abbreviated as: "Mary Smith Tr of the Smith Fam Tr dtd 1/31/03."</p>
The trust is a testamentary trust which was created in the will of a deceased grantor.	<p>The registration would read: "Mary Smith trustee under the will of John Doe, deceased."</p> <p>This would be abbreviated as: "Mary Smith Tr U/W John Doe dec'd."</p>

Note: The servicing FRB will use the abbreviated form whenever possible. *For additional trust registrations, see Appendix A.*

## **Redeeming Savings Bonds in a Trust Registration**

As a paying agent of United States Savings Bonds, a customer may want to redeem savings bonds registered in a trust inscription. Report the interest under the social security number or employer/estate identification number of the trust. Your financial institution may pay these bonds **if:**

- The person(s) requesting payment is the trustee(s) named on the bond(s).
- The trustee(s) named on the bond(s) signs the request for payment on the back of the bond(s) as trustee(s) in your presence.
- The amount being redeemed does not exceed the limit stated in PD P 0022, *The Guide for Cashing Savings Bonds*, and the transaction is conducted according to the rules in that guide. (See Appendix D.)
- The bonds are at least 12 months old.

<b>If:</b>	<b>Then:</b>
The bonds are registered in a trust registration and the person(s) requesting payment is the trustee(s) named in the registration on the bond(s).	<p>Have the trustee(s) sign the back of each bond and pay the trustee(s) in his/her fiduciary capacity.</p> <p>Report the taxable income under the trust.</p>

**All other requests for redemption should be forwarded to the Bureau of the Public Debt.**

The chart below describes some common types of transactions you could encounter. Where the pertinent pages of the trust are required, provide the pages of the trust containing:

- The name and date of the trust.
- The name(s) of the initial trustee(s) and the name(s) of any successor trustee(s).
- The notarized signature(s) of the grantor(s).
- A statement indicating whether the trustee may act independently.
- Any page(s) or amendment(s) to the trust which would change the trustee(s) or successor trustee(s).

If:	Then:
The initial trustee dies.	<ul style="list-style-type: none"> <li>➤ Provide the pertinent pages of the trust.</li> <li>➤ Provide a certified copy of the trustee's death certificate.</li> <li>➤ Have the successor trustee(s) sign the back of the bond(s).</li> <li>➤ Certify the successor's signature using your financial institution's official stamp or seal, a signature guarantee stamp, or an issuing/paying agent validation stamp.</li> <li>➤ Provide the TIN for the trust.</li> <li>➤ Provide instructions for payment.</li> </ul>
The initial trustee resigns.	<ul style="list-style-type: none"> <li>➤ Provide the pertinent pages of the trust.</li> <li>➤ Provide a letter of resignation, if indicated in the trust.</li> <li>➤ Have the successor trustee sign the back of the bond(s).</li> <li>➤ Certify the successor's signature using your financial institution's official stamp or seal, a signature guarantee stamp, or an issuing/paying agent validation stamp.</li> <li>➤ Provide the TIN for the trust.</li> <li>➤ Provide instructions for payment.</li> </ul>
The grantor dies but the trustee(s) has not changed.	<ul style="list-style-type: none"> <li>➤ Pay these bonds if the trustee(s) named in the registration of the bonds is requesting payment. <b>Important: The trust governs these bonds. Any request by an executor or administrator will not be honored.</b></li> </ul>

Any question regarding whether to pay bonds in a trust registration or send for collection should be directed to the Bureau of the Public Debt.

## Reissuing Savings Bonds in a Trust Registration

Series E, EE, I, H, and HH savings bonds may be reissued into a trust registration using form PD F 1851, *Request to Reissue United States Savings Bonds to a Personal Trust*. This form allows living bond owners to re-register their bonds into a living trust.

The inscription on the application should contain:

- The name of the trustee(s)
- The name of the grantor
- The nature of the trust
- The date the trust was created (month, date, and year)

<b>If:</b>	<b>Then:</b>
The bonds are in single owner registration.	<ul style="list-style-type: none"> <li>➤ Have the PD F 1851 signed by the owner of the bonds.</li> <li>➤ Certify the signature on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Have the trustee complete and sign the direct deposit authorization on PD F 5396, if Series H/HH are involved.</li> <li>➤ Have the trustee complete IRS Form W-9, if Series H/HH bonds are involved and an EIN is assigned to the trust.</li> </ul>
The bonds are registered as single owner with a beneficiary.	<ul style="list-style-type: none"> <li>➤ Have the PD F 1851 signed by the owner of the bonds.</li> <li>➤ Have the beneficiary sign the PD F 1851, if Series E or H bonds are involved. If the beneficiary is deceased, provide a certified copy of the beneficiary's death certificate.</li> <li>➤ Certify the signature(s) on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Have the trustee complete and sign the direct deposit authorization on PD F 5396, if Series H/HH bonds are involved.</li> <li>➤ Have the trustee complete IRS Form W-9, if Series H/HH bonds are involved and an EIN is assigned to the trust.</li> </ul>
The bonds are in co-owner registration.	<ul style="list-style-type: none"> <li>➤ Have the PD F 1851 signed by both co-owners named on the bonds. If one co-owner is deceased, provide a certified copy of the deceased co-owner's death certificate.</li> <li>➤ Certify the signature(s) on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Have the trustee complete and sign the direct deposit authorization on PD F 5396, if Series H/HH bonds are involved.</li> <li>➤ Have the trustee complete IRS Form W-9, if Series H/HH bonds are involved and an EIN is assigned to the trust.</li> </ul>

---

## Other Reissues Involving Trust Registrations

Once bonds are issued in a trust registration, circumstances may change which require the bonds be reissued to a new registration. Customers may request to reissue bonds to change the trust registration for the following reasons:

- Change of trustee – The trustee may change due to death, resignation, or removal.
- Termination of trust – The trust may terminate after a specific period of time, upon a specific event, or at the death of the grantor.
- Revocation of trust – The grantor of the trust may decide to revoke or nullify the trust in its entirety.
- Distribution of estate - The grantor dies and the bonds are to be reissued to specific individuals.
- Distribution of trust – The grantor is living, the trust is not revoked or terminated, and the grantor wishes to reissue bonds out of the trust registration.

Form PD F 1455, *Request By Fiduciary For Reissue Of United States Savings Bonds/Notes*, is required to reissue bonds that are in a trust registration. The reason for reissue must be stated on the PD F 1455 where indicated. Depending on the circumstances, additional forms or evidence may be required.

If:	Then:
The trustee changes due to death, resignation, or removal.	<ul style="list-style-type: none"> <li>➤ Have the successor trustee(s) complete and sign PD F 1455. Certify the signature(s) on the form using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Indicate the reason for reissue on the PD F 1455.</li> <li>➤ Provide a certified copy of the death certificate or letter of resignation or removal, as appropriate.</li> <li>➤ Provide the pertinent pages of the trust.</li> <li>➤ Have the trustee complete and sign the direct deposit authorization on PD F 5396, if Series H/HH bonds are involved.</li> </ul>
The trust is terminated because the grantor has terminated the trust, or the trust expires.	<ul style="list-style-type: none"> <li>➤ Have the trustee(s) complete and sign form PD F 1455 to reissue the bonds to the person entitled. Certify the signature(s) on the form using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Indicate the reason for reissue on the PD F 1455.</li> <li>➤ Have the person entitled complete and sign form PD F 4000 or PD F 5387 for Series I, if he/she wants to name a co-owner or beneficiary. Certify the signature on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Have the person entitled complete and sign the direct deposit authorization on PD F 5396 and IRS Form W-9, if Series H/HH bonds are involved.</li> </ul>
The grantor revokes the trust.	<ul style="list-style-type: none"> <li>➤ Have the grantor complete and sign form PD F 1455 indicating the person entitled. Certify the signature on the form using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Indicate the reason for reissue on the PD F 1455.</li> <li>➤ Provide the pertinent pages of the trust.</li> <li>➤ Have the person entitled complete and sign form PD F 4000 or PD F 5387 for Series I, if he/she wants to name a co-owner or beneficiary. Certify the signature on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Have the person entitled complete and sign the direct deposit authorization on PD F 5396 and IRS Form W-9, if Series H/HH bonds are involved.</li> </ul>
The grantor dies and the trustee(s) named on the bonds is distributing the bonds to the person entitled.	<ul style="list-style-type: none"> <li>➤ Have the trustee(s) complete and sign form PD F 1455 to reissue the bonds to the person entitled. Certify the signature(s) on the form using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Indicate the reason for reissue on the PD F 1455.</li> <li>➤ Have the person entitled complete and sign form PD F 4000 or PD F 5387 for Series I, if he/she wants to name a co-owner or beneficiary. Certify the signature on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Have the person entitled complete and sign the direct deposit authorization on PD F 5396 and IRS Form W-9, if Series H/HH bonds are involved.</li> </ul>

If:	Then:
<p>The grantor is living, the trust has not terminated, and the bonds are being distributed.</p>	<ul style="list-style-type: none"> <li>➤ Have the trustee(s) complete and sign form PD F 1455 to reissue the bonds to the person entitled. Certify the signature(s) on the form using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Indicate the reason for reissue on the PD F 1455.</li> <li>➤ Have the person entitled complete and sign form PD F 4000 or PD F 5387 for Series I, if he/she wants to name a co-owner or beneficiary. Certify the signature on the application using your institution's official stamp or seal, signature guarantee stamp, or issuing/paying agent validation stamp.</li> <li>➤ Have the person entitled complete and sign the direct deposit authorization on PD F 5396 and IRS Form W-9, if Series H/HH bonds are involved.</li> </ul>

These transactions must be sent to the Bureau of the Public Debt; see Appendix M.